



# OFFICE OF STATE PLANNING AND BUDGETING

## UPDATED FACT SHEET

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*Governor Ritter's Anti-Poverty FY 2008-09 Budget Request*

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Governor Ritter's FY 2008-09 budget request contains increases of \$303.2 million (including \$114.7 million General Fund) for programs targeted at helping those in poverty. This increase in state funding is for health care programs, mental health, developmental disabilities, higher education financial aid, vocational and academic training for offenders, and workforce centers around the state.

<u>Anti-Poverty Related Increases in the Governor's FY 2008-09 Budget</u>		
Area	Total Funds	General Fund
Medicaid Program	\$139.5	\$65.8
Children's Health Care (CHP+)	\$66.5	\$2.9
Building Blocks to Health Care Reform	\$63.6	\$25.0
Community Mental Health	\$3.0	\$3.0
Developmental Disabilities	\$14.9	\$6.8
Higher Education Financial Aid	\$10.6	\$10.6
Offender Academic and Vocational Training	\$0.6	\$0.6
Workforce Centers	<u>\$4.5</u>	<u>\$0.0</u>
Total	\$303.2	\$114.7

### Medicaid

The Governor's budget adds \$139.5 million (including \$65.8 million General Fund) to the Medicaid budget to fund health care to nearly 381,000 low-income or disabled people at an average cost of \$5,917 per person. This increase includes \$127.3 million (\$59.7 million General Fund) for base increases to Medicaid caseload and utilization.

### Children's Basic Health Plan "CHP+"

The Governor's budget adds the following funding for CHP+:

- \$50.4 million (\$2.4 million General Fund) for base increases to CHP+ (low-income health care for children) caseload and service costs for 67,653 low-income children (an increase of 14.8 percent) and 1,986 low-income pregnant women (an increase of 29.0 percent).
- \$1.4 million to double the current CHP+ outreach budget as part of the commitment to providing health care to a greater percentage of eligible children.
- \$14.7 million total funds (\$0.5 million General Fund) to provide health care for an additional 8,000 eligible but not enrolled children as result of the expanded outreach effort.

## Building Blocks to Health Care Reform

The Governor's budget adds \$63.6 million total funds (\$25.0 million General Fund) for a range of health care initiatives in Medicaid and CHP+ in order to expand eligibility for children, provide more extensive benefits, streamline administrative processes, and cover additional eligible but not enrolled children. This funding will do the following:

- Cover an additional 9,000 kids over three years by expanding eligibility in the Child Health Plan Plus (CHP+) to 225 percent of Federal Poverty Level.
- Provide all kids in Medicaid and CHP+ with a medical home to ensure they have access to the primary and preventive care they need to keep them healthy, strong and out of emergency rooms.
- Increase payment to physicians who provide preventive, primary and oral health care under Medicaid and expand access to mental health treatment to kids in the CHP+ program.
  1. Increase rates for primary and preventive care to 90 percent of Medicare reimbursement.
  2. Increase rates for dental care to 52 percent of commercial rates.
  3. Give kids in CHP+ the same mental health benefits provided to kids in Medicaid.
- Eliminate bureaucratic hassles by centralizing eligibility determination for Medicaid and CHP+. By doing this we expect an additional 11,000 kids and 1,200 pregnant women and parents currently eligible will successfully enroll in Medicaid and CHP+.

## Mental Health

- The Governor's budget adds \$3.0 million General Fund for community mental health services in the Department of Human Services to serve around 960 low-income people with mental illness who do not have health insurance. This increase is 140 percent higher than the funding increase provided in the FY 2007-08 appropriation.

## Developmental Disabilities

- The Governor's budget adds \$14.9 million total funds (including \$6.8 million net General Fund) in the Department of Human Services for 589 additional community resources to serve people with developmental disabilities. The FY 2008-09 resources for adult and children's programs represent a 186 percent increase over the increase which was provided in FY 2007-08. People with developmental disabilities served by the three Developmental Disabilities waivers have incomes below 133 percent of the federal poverty level.

## Higher Education - Financial Aid

- The Governor's budget adds \$9.8 million for higher education financial aid. This 10.3 percent increase over the FY 2007-08 appropriation exceeds the statutory requirement. The \$9.8 million includes \$7.3 million for need-based grants and \$1.7 million for work study financial aid:

- ⇒ Need-based grants. The \$7.3 million increase in funding is anticipated to provide an additional 4,600 students with financial aid (based on the average need based award of \$1,560 from FY 2000-01 to FY 2005-06). The need based grants are tied to the federal PELL eligibility levels which are based on the student's (family) income and attendance costs. Approximately 70% of students that receive work study financial aid demonstrate need.
- ⇒ Work-study financial aid. The \$1.7 million work-study increase in funding is anticipated to provide an additional 871 students to receive work study grants in FY 2008-09.
- The Governor's budget also adds \$800,000 General Fund for pre-collegiate scholarships in FY 2008-09. This increase provides funding for student's unmet need in attending college who has also participated in pre-collegiate programs in high school. At a maximum grant award of \$1,000 per student this would provide grants to an additional 800 students with unmet need.

### Recidivism and the Department of Corrections

- The Governor's FY 2008-09 Crime Prevention and Recidivism Reduction Package adds \$644,000 General Fund for academic and vocational instruction in the Department of Corrections. Over 5,000 of the offenders in prison are in need of GED certificates. Services for vocational training are also necessary. After release from prison offenders need to be able to obtain gainful employment in the community. By FY 2009-10, these additional instructors will teach an estimated 530 offenders per year.

### Workforce Centers

- The Governor's budget adds \$4.5 million state funds to the Department of Labor and Employment to restore services in the State's workforce centers. This request is the result of ongoing reductions in federal funds for workforce training. Although the economy as a whole continues to do well, there are certain portions of the population that still require the services provided by workforce centers. This request will: restore 74 positions lost over the last two years, reopen workforce offices in metro as well as rural areas, and make available the resources to train our economically vulnerable population.
- With the additional resources, the staff will be able to tailor the services required for at-risk populations, such as: TANF and Employment First applicants, the underemployed, individuals reentering the workforce, the elderly, those who lack formal education, ex-offenders as they reintegrate back into the community, and at risk youth.

### Economic Development Programs

- The Governor's budget continues funding of \$33.6 million and 42.3 FTE for the Office of Economic Development and International Trade. This Office supports small business creation and expansion, works to strengthen regional economies with an emphasis on rural and lagging communities. The average wage for jobs created through the various programs is 125 percent of the local county wage rate. Approximately 9,000 jobs are projected to be created and retained by businesses receiving funds from this Office.

- The Business Development Division works to retain business within the state, and provides recruitment and expansion activities, and technical support. This Office provides an added focus on Veteran populations and 30.0 percent of the Business Development funding is for projects in lagging communities. Additionally, approximately 2,000 trainees will receive customized job training in FY 2008-09.
- The Office of Economic Development & International Trade and the Colorado Community College System jointly administer the Colorado First Customized Job Training program which provides \$2.7 million in grants. Companies contribute at least 40 percent of the training costs and must meet a sustainable wage threshold of \$8.50/hour in metro areas and \$7.50/hour in rural areas.

#### County Contingency

- The Department of Human Services in collaboration with Department of Health Care Policy and Financing, County Commissioners and County Directors proposed legislation in 2008 (H.B. 08-1250 Pommer/Johnson) that would allow the State to retool the current county contingency distribution process while still ensuring that the appropriate counties are accessing these funds. The change in the distribution will allow the State to redirect the remaining \$5.4 million to County programs that provide eligibility services for some of Colorado citizens that are in need of assistance, e.g. Food Stamps, Medicaid, and Adult Support Services. In addition, this approach would allow the State to leverage General Fund to draw down a federal match of approximately 60 percent from various sources.